



**WEATHERIZATION PROGRAM NOTICE 10-14A
STATE ENERGY PROGRAM NOTICE 10-07A
EECBG PROGRAM NOTICE 10-08A
EFFECTIVE DATE: September 29, 2010**

SUBJECT: CALCULATION OF JOB CREATION THROUGH DOE RECOVERY ACT FUNDING

REFERENCE: OMB Memorandum M-10-08 *Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates*, December 18, 2009.

1.0 PURPOSE: Provides additional guidance to grantees on the methodology for calculating jobs created and retained through expenditure of grant funds received under the American Recovery and Reinvestment Act of 2009 (Recovery Act), and reporting that information to the Department of Energy (DOE). This guidance supersedes **Weatherization Program Notice 10-14**, **State Energy Program Notice 10-07**, and **EECBG Program Notice 10-08** and removes the requirement to report hours worked through non-federal funds.

2.0 SCOPE: This guidance focuses on the determination and reporting of job creation to the Department of Energy, and is complementary to the requirements for reporting via FederalReporting.gov.

The provisions of this guidance apply to entities named in a Notification of Grant Award as the recipients of financial assistance under the Weatherization Assistance Program (WAP), State Energy Program (SEP), or Energy Efficiency and Conservation Block Grant (EECBG) Program. The provisions of this guidance refer to and are consistent with the updated Section 5 of The Office of Management and Budget (OMB) guidelines for determining job creation per Section 1512 of the Recovery Act (per Reference 1), which dictate the rationale for determining and reporting job creation via FederalReporting.gov.

The monthly reporting requirements for WAP and SEP recipients outlined by this guidance are authorized under a three-year approval by OMB of Information Collection Requests (ICR) that expire on September 30, 2013.

The monthly reporting requirements for EECBG recipients with formula allocations >\$2M outlined by this guidance are authorized under a six-month emergency approval by OMB of an emergency Information Collection Request (ICR) that expires on September 30, 2010.

If DOE seeks renewal of this emergency monthly collection it will engage OMB 4 months after approval date to begin a dialogue on burden impact and introducing a risk-tiered model where selected recipients could return to quarterly reporting. In most cases,

monthly data will be used internally for managerial purposes only, but where DOE does intend to publicize monthly data, it will clearly indicate it to be "preliminary/informal and subject to change".

3.0 LEGAL AUTHORITY:

3.1 WAP

Title IV, Energy Conservation and Production Act, as amended, authorizes the DOE to administer the WAP. All grant awards made under this Program shall comply with applicable authorities, including regulations contained in 10 CFR Part 440.

3.2 SEP

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. 6321 et seq.). All grant awards made under this program must comply with all applicable authorities, including the regulations contained in 10 CFR part 420.

3.3 EECBG

Title V, Subtitle E of the Energy Independence and Security Act of 2007 establishes the EECBG Program. All grant awards made under this Program shall comply with all applicable authorities.

4.0 DEFINITIONS (program-specific examples of select definitions are in Attachment 1)

- Direct Job – A job in which wages or salaries are either paid for or will be reimbursed with Recovery Act funding.
- Full-Time Equivalent (FTE) – The metric used by OMB to convert full-time, temporary and part-time jobs into comparable metrics. FTEs are calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient.
- Indirect Job (not reported)– A job created or retained at material suppliers who make the materials used in the Recovery Act-supported project or at central service providers, that is for an employee not directly charged to Recovery Act supported projects/activities. Indirect job creation / retention **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.
- Induced Job (not reported) – A job created or retained elsewhere in the economy as a result of Recovery Act supported projects/activities that is not directly charged to Recovery Act supported projects/activities. Induced job creation / retention is exceedingly difficult for recipients to determine and **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.
- Jobs Created: New position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act, i.e., a job for which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

- **Jobs Retained:** An existing position that is now funded by the Recovery Act, i.e., a job for which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.
- **Prime Recipient:** refers to a non-federal entity receiving Recovery Act funding (grants, loans, or cooperative agreements) directly from the Federal Government.
- **Sub-Recipient:** refers to a non-Federal entity that expends Federal awards received from a prime recipient to carry out a Federal program but does not include an individual who is a beneficiary of such a program. Where Recovery Act funds are going directly to pay wages at the subrecipient level (i.e. direct jobs are being created at the subrecipient level), these hours should be included in the jobs figures reported to DOE and OMB. Where Recovery Act funds are not going directly to pay wages at the subrecipient level (i.e. only indirect jobs are being created at the subrecipient level), these hours should **NOT** be included in the jobs figures reported to DOE and OMB.
- **Vendors¹:** A dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. Where Recovery Act funds are going directly to pay wages at the vendor level (i.e. direct jobs are being created at the vendor level), these hours should be included in the jobs figures reported to DOE and OMB. Where Recovery Act funds are not going directly to pay wages at the vendor level (i.e. only indirect jobs are being created at the vendor level), these hours should **NOT** be included in the jobs figures reported to DOE and OMB.

5.0 GUIDANCE: Recipients should follow the steps outlined below to determine job creation and/or retention figures and report them to OMB & DOE as necessary.

To assist in the calculations required by Sections 5.1 & 5.2 below, DOE has created a Jobs Creation calculator posted online which will facilitate the calculation of jobs creation metrics. This calculator is available at:

WAP: <http://www.waptac.org/sp.asp?id=6878>

SEP & EECBG: http://www1.eere.energy.gov/wip/recovery_act_guidance.html

Recipients are not required to use this calculator nor are they required to submit a completed calculator for jobs reporting. The calculator is simply a tool created by DOE and available to recipients to facilitate the determination of jobs creation. Recipients may, at their discretion, advise sub-recipients of the calculator to facilitate determination and reporting of jobs creation information from sub-recipients.

Please note that the estimate issued by The Council of Economic Advisors (CEA) for job creation potential (i.e. \$92,000/job-year) is NOT appropriate in determining direct jobs created

¹ To clarify the difference between a Vendor and a Sub-Recipient please see section .210 of the Office of Management and Budget Circular No. A-133 for further guidance on distinguishing between a sub recipient and a vendor.

<http://www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html>. Sub Recipients support performance of a mission. Vendors provide products or services in support of the mission. For Vendors, data requirements are reduced. Prime Recipients may not delegate reporting to vendors.

*or retained and should **NOT** be utilized for reporting to either OMB or DOE. Use of this metric was appropriate for estimating job creation potential on the initial Recovery Act grant application, but is not appropriate for reporting actual job creation through Recovery Act implementation.*

5.1 Reporting jobs creation to OMB via FederalReporting.gov

In accordance with Section 1512 of the Recovery Act, The Office of Management and Budget requires recipients of Recovery Act grants to report quarterly on direct jobs created or retained (in FTEs) through Recovery Act funds via the website [FederalReporting.gov](http://www.federalreporting.gov). OMB guidance for reporting under Section 1512 requires that recipients report only those jobs directly generated wholly or in part by Recovery Act funds.

Guidance provided by OMB for calculating and reporting jobs created and retained is provided in part 2 of Reference 1 (http://www.whitehouse.gov/omb/memoranda_default/) and at DOE's Recovery Act Recipient and Contractor Reporting website: http://www.energy.gov/recovery/ARRA_Reporting_Requirements.htm.

FTEs are not to be reported to DOE.

5.2 Reporting jobs creation to DOE via PAGE

In order to capture a broader picture of the number of American workers impacted by the Recovery Act, DOE is collecting jobs information different than, but that corresponds to, the jobs information collected by OMB. DOE is directing recipients to report:

Hours worked through Recovery Act funds: This metric captures the hours worked that are funded by Recovery Act funds. This number is equivalent to and should match the numerator used to calculate the FTE figure reported to OMB.

These hours should be tallied for the period when work was done, not the period when work was paid for (if different). Thus if the recipient manages on a cost-reimbursement basis, the hours should be counted when worked and not when reimbursed.

Hours worked are not to be reported to OMB.

5.2.1 Calculating Recovery Act hours worked

In determining Recovery Act hours worked for DOE reporting, recipients should count those hours worked through wages paid by Recovery Act funds. This number is equivalent to and should match the numerator used to calculate the FTE figure reported to OMB. Section 5.8 of Reference 1 defines the scope of job creation to be collected by prime recipients:

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors² on the total FTE resulting from

² Except as provided by Section 5.2.8 of Reference 1, job estimates regarding vendors of prime- or sub-recipients as defined in Section 2.2 should be limited to direct job impacts for the vendor and not include "indirect" or "induced" jobs (see Sections 5.2.7 and 5.2.8).

a sub-award. To the maximum extent practicable, information should be collected from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact numbers available.

Furthermore, recipients should count not only hours worked by laborers on Recovery Act-supported projects but also those additional hours worked by administrative staff directly charged to Recovery Act-supported projects. The previous distinction between jobs created and jobs retained (as explained in Section 5.1 of Reference 1) is no longer required. Recipients will be required to report aggregate numbers concerning jobs created and/or retained through Recovery Act funds as appropriate.

5.3 Reporting jobs creation

Jobs creation metrics will be reported to OMB and DOE as follows:

- Reporting of Job Creation to OMB via Federal Reporting.gov quarterly
OMB guidelines dictate the quarterly reporting of only Recovery Act FTEs via FederalReporting.gov. The numerator of the Recovery Act FTEs metric reported to OMB should be equivalent to the hours worked through Recovery Act funds reported to DOE.
- Reporting of Job Creation to DOE via PAGE quarterly
DOE requires the quarterly reporting of Recovery Act hours worked.

6.0 CONCLUSION: The funds provided through the Recovery Act to WAP, SEP, and EECBG represent an unprecedented investment of federal funds in energy efficiency and renewable energy activities at a local level. In addition to energy savings, cost savings, and emissions reductions, the number of jobs created and retained is a central metric that will be used to determine the economic impact of Recovery Act-supported projects. Furthermore, transparency and accountability in the methodology used to determine job creation will be vital to ensuring the integrity of the data and underwriting the success of the Recovery Act.

DOE is committed to working in partnership with grant recipients to ensure that Recovery Act funds are used effectively and expeditiously and that resulting metrics are fully captured and reported as efficiently as possible.



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WEATHERIZATION PROGRAM NOTICE 10-14A Attach 1 (Job definition examples)
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DEFINITION EXAMPLES: WAP

- Direct job: *A weatherization crew member who is to do the air sealing and insulating of houses that are funded by Recovery Act and/or associated non-federal funds.*
- Full-Time Equivalent (FTE): *The same crew member works 78 hours using Recovery Act funds in a reporting quarter. Assuming a full time schedule of 520 hours in the quarter (40 hours/week x 13 weeks/quarter), the crew member would be reported as 0.15 FTE (78 hours/520 hours).*
- Hours worked (through Recovery Act funds): *In the FTE example above, 78 Recovery Act hours worked would be reported to DOE for that quarter.*
- Indirect Job (not reported): *The vendor of the insulation materials increases the hours of the customer service agent from a part-time position to a full-time position to help handle the increased workload. Indirect job creation is exceedingly difficult for recipients to determine and **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.*
- Induced Job (not reported): *The crew member uses his or her income to purchase an automobile for personal use, marginally stimulating jobs at car dealerships and production facilities. Indirect job creation is exceedingly difficult for recipients to determine and **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.*

DEFINITION EXAMPLES: SEP & EECBG

- Direct job: *An electrician installing solar PV panels on a project funded by Recovery Act funds and/or associated non-federal funds.*
- Full-Time Equivalent (FTE): *The same electrician works 78 hours on the project in a reporting quarter. Assuming a full time schedule of 520 hours in the quarter (40 hours/week x 13 weeks/quarter), the electrician would be reported as 0.15 FTE (78 hours/520 hours).*
- Hours worked (through Recovery Act funds): *In the FTE example above, 78 Recovery Act hours worked would be reported to DOE for that quarter.*
- Indirect Job (not reported): *The vendor of solar PV panels who supplied the project converts a customer service representative from a part-time position to a full-time position to help handle the increased workload. Indirect job creation is exceedingly difficult for recipients to determine and **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.*
- Induced Job (not reported): *The electrician uses his or her income to purchase an automobile for personal use, marginally stimulating jobs at car dealerships and*

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production facilities. Indirect job creation is exceedingly difficult for recipients to determine and **IS NOT TO BE INCLUDED** in jobs figures reported to either DOE or OMB.